BusinessConnect and SolutionsConnect
It's time to make bold moves.

"It's all about me!"
Using Big Data & Analytics to Personalise the Customer Experience

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" *If we wanted to figure out if a customer is pregnant, even if she didn't want us to know, can you do that?* "

RELEVANCE:
because one size
does not fit all

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Marketing and
Analytics are
Intertwined

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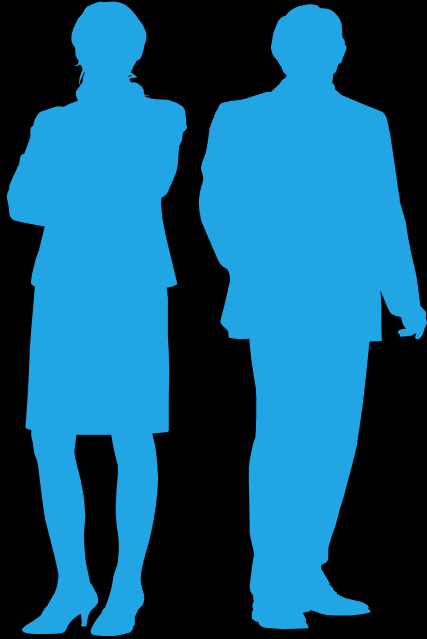*Extracting insights from exploding data volumes requires* **new technologies** *and methodologies*

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" *By 2017 the CMO will spend more on IT than the CIO* **"**

2012 Gartner Webinar | Lauren Mclennan | Research VP

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Customers expect personalization and control

"You don't know me"
Intolerance of mass-market, impersonalized approaches

"You're not connecting with me"
Demand for interaction on channel of choice

"You make it too hard"
Expectations for immediate results

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It was (nearly) twenty years ago today………..

Stop Selling Ads and Do Something Useful
To remain relevant marketers need to ask consumers
"How can we help you?" instead of "What can we sell you?"-
Joe McCambley

http://blogs.hbr.org/2013/02/stop-selling-ads-and-do-someth/

A customer – are you prepared to be useful?

Interaction data
email and chat transcripts
call centre notes
web click streams
in-person dialogues

Attitudinal data
opinions
preferences
implied desires

Descriptive data
self-declared
inferred
geographic
demographic
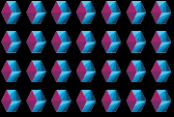
Behavioural data
orders
transactions
payment history
usage history

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Today company's are "dying of thirst in an ocean of data"

Volume
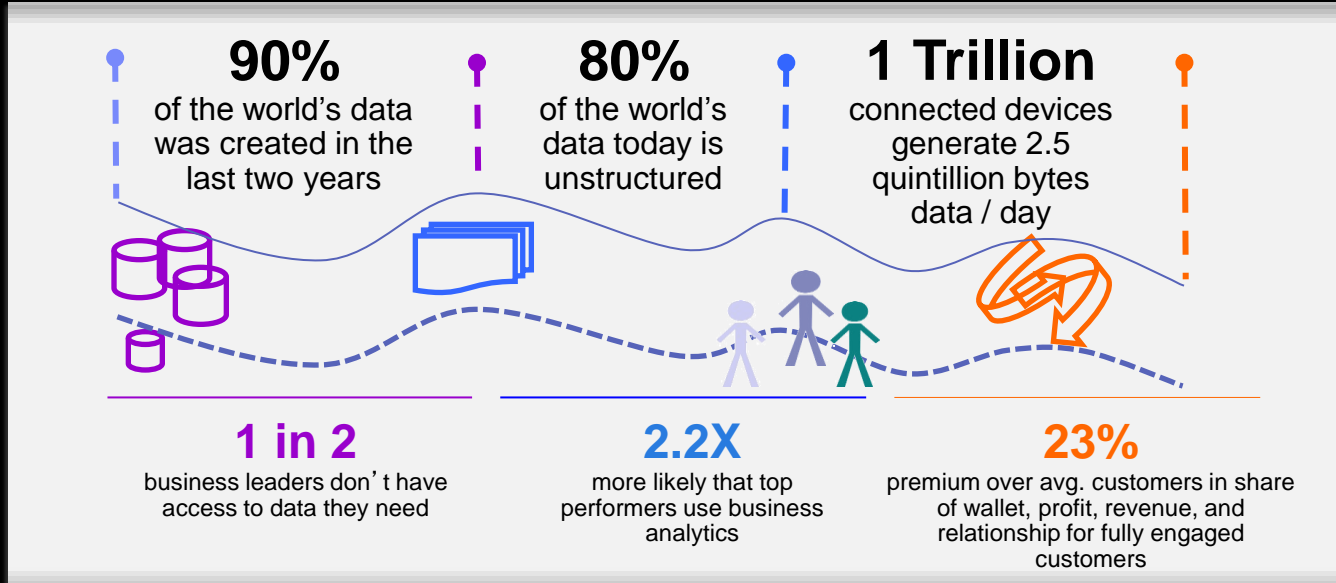
Data at Scale

Variety

Data in
Many Forms

90%
of the world's data
was created in the
last two years

80%
of the world's
data today is
unstructured

1 Trillion
connected devices
generate 2.5
quintillion bytes
data / day

1 in 2
business leaders don't have
access to data they need

2.2X
more likely that top
performers use business
analytics

23%
premium over avg. customers in share
of wallet, profit, revenue, and
relationship for fully engaged
customers

Velocity

Data in Motion

Veracity

Data
Uncertainty

Do you *Know* your customer?

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Creating a *single view* of the client

" *Data is absolutely critical for our ability to proactively identify opportunities for our customers* "

Nick Reed | ANZ Programme Director

360 degree view
of the customer

Proactive identification
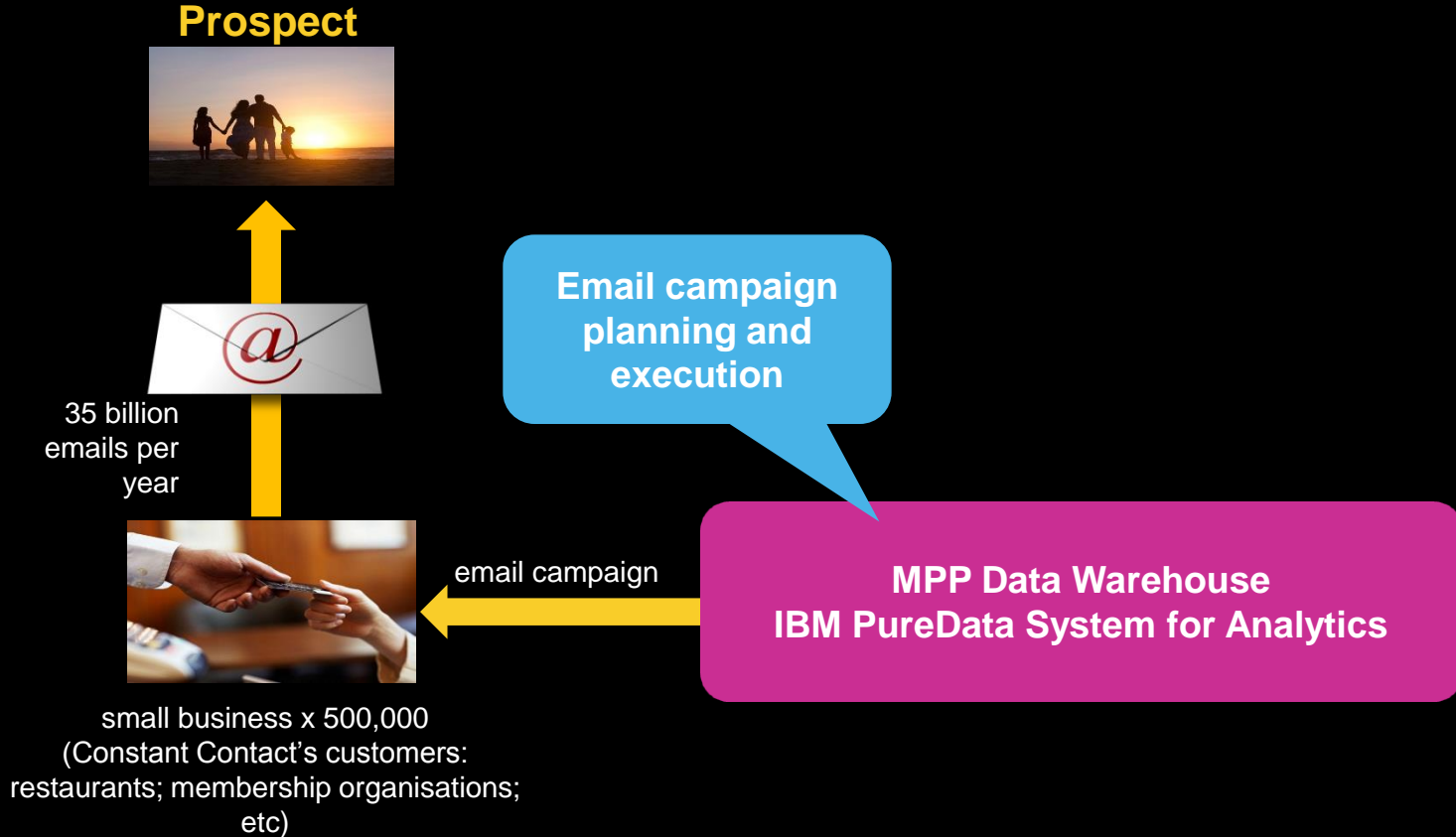of the customer needs

Increased revenue
and customer satisfaction

Lifting Customer Acquisition at Constant Contact

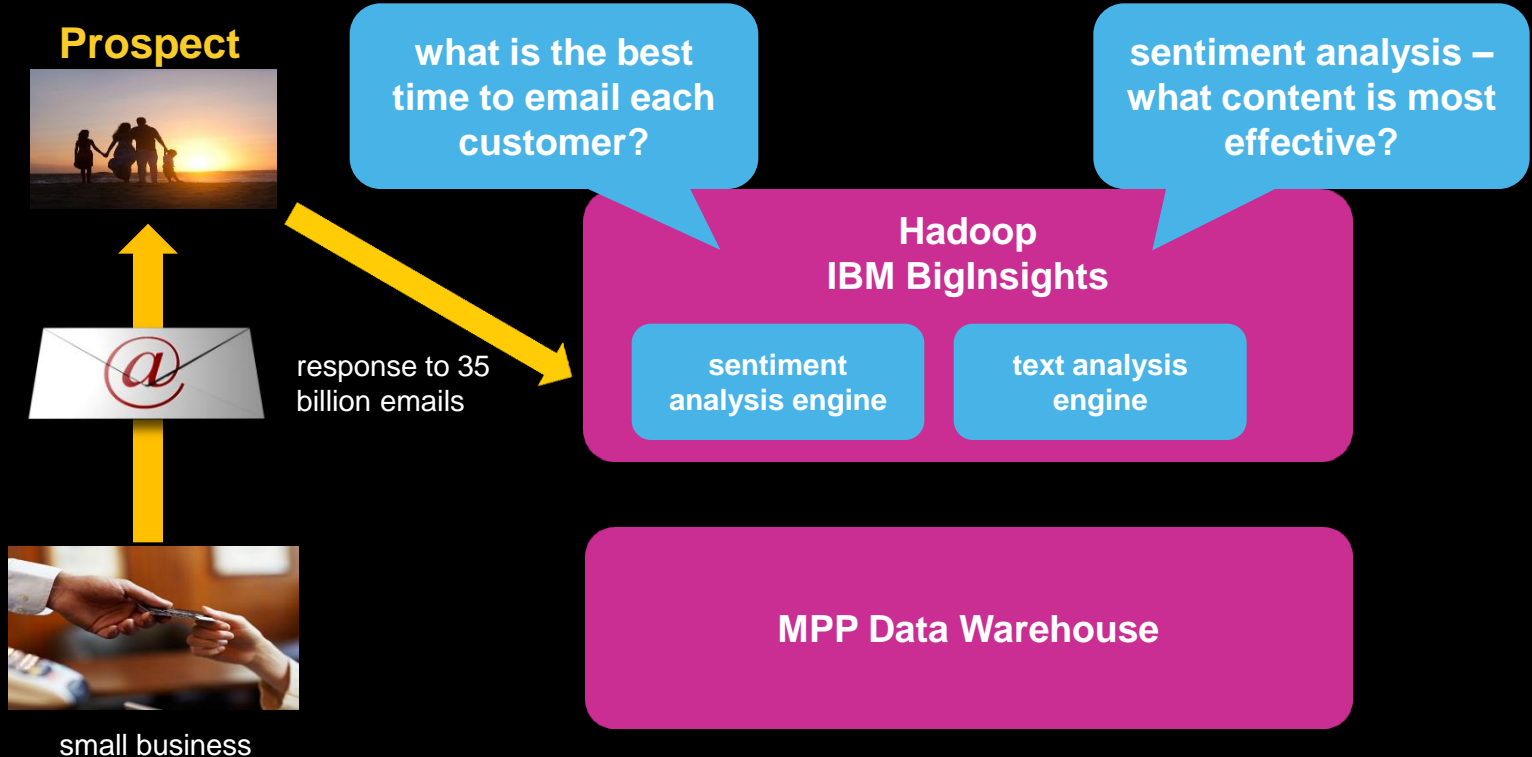Jesse Harriott, PhD
Chief Analytics Officer
Constant Contact

"**Constant Contact** is a software company that provides a marketing platform for small businesses. Through our platform our customers send about **35 billion emails every year.** We **analyze trends** to help them be more successful, help them understand when to send emails, help them understand **what content is most effective.**"

www.ibmbigdatahub.com/video/constant-contact-transforming-e-mail-marketing-effectiveness
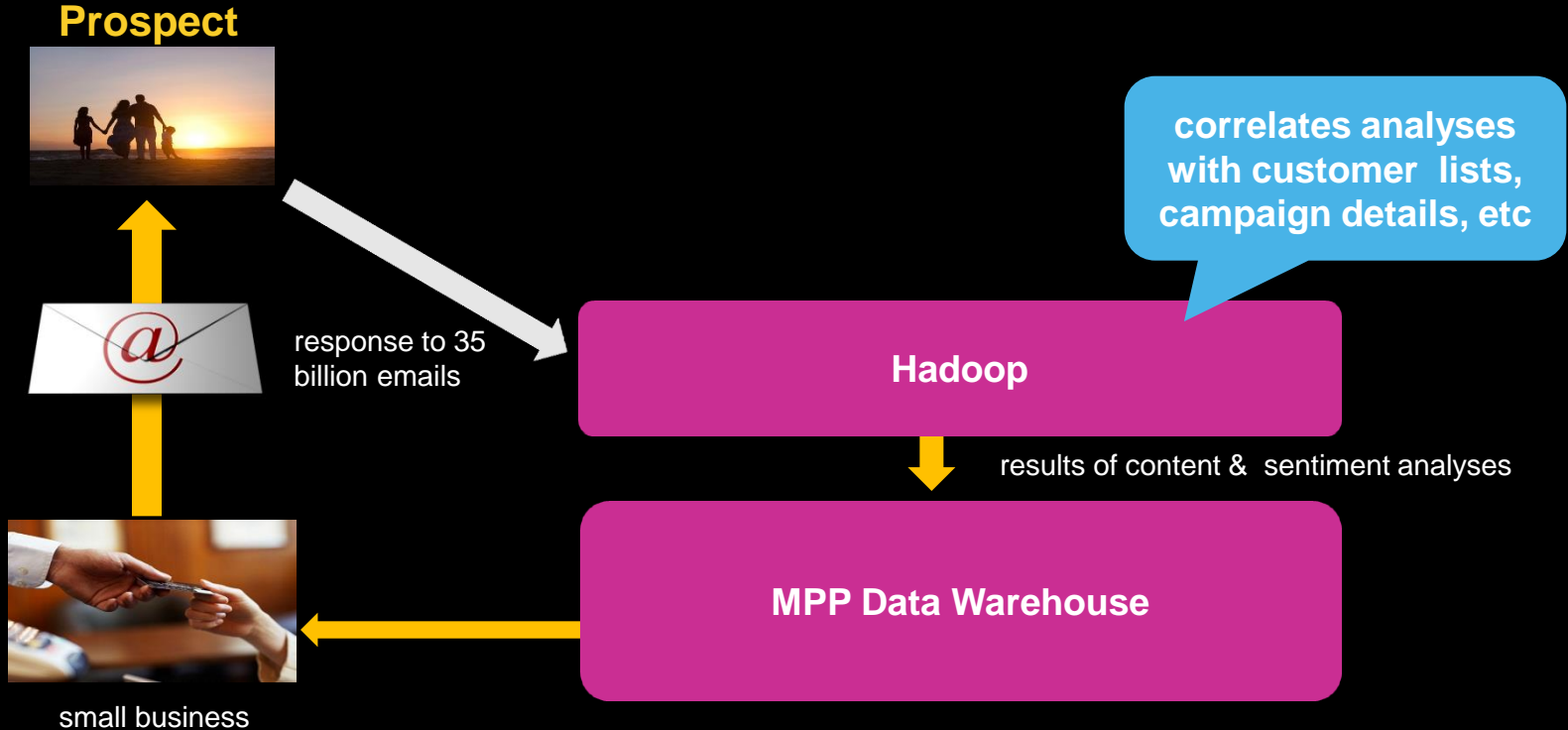
Email campaign management at Constant Contact

Prospect
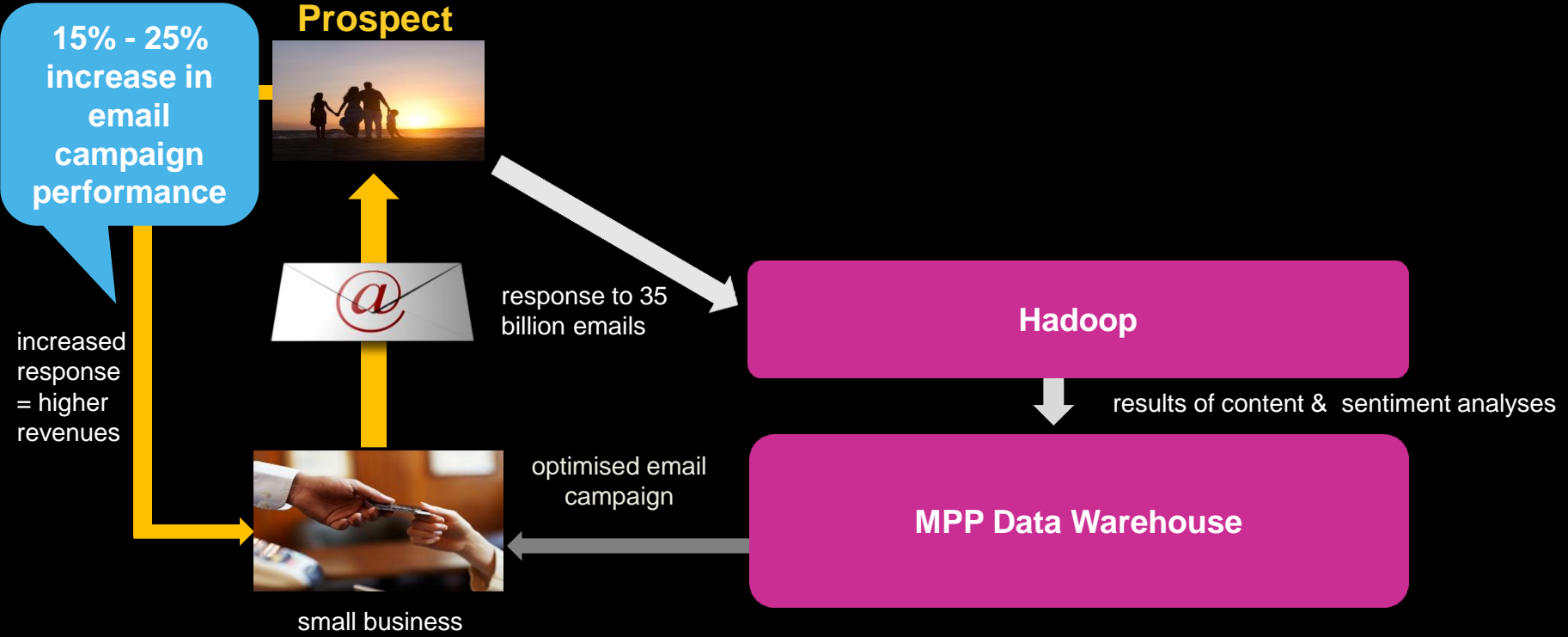
Email campaign planning and execution

35 billion emails per year

email campaign

**MPP Data Warehouse
IBM PureData System for Analytics**

small business x 500,000
(Constant Contact's customers:
restaurants; membership organisations;
etc)

Analysing campaign success: listening to customer's voice

Prospect

what is the best time to email each customer?

sentiment analysis – what content is most effective?

response to 35 billion emails

**Hadoop
IBM BigInsights**

sentiment analysis engine

text analysis engine

MPP Data Warehouse

small business

Merging new insight with historic data to optimise campaigns

Prospect

response to 35 billion emails

small business

correlates analyses with customer lists, campaign details, etc

Hadoop

results of content & sentiment analyses

MPP Data Warehouse

IBM

Acquiring customers to help small businesses grow
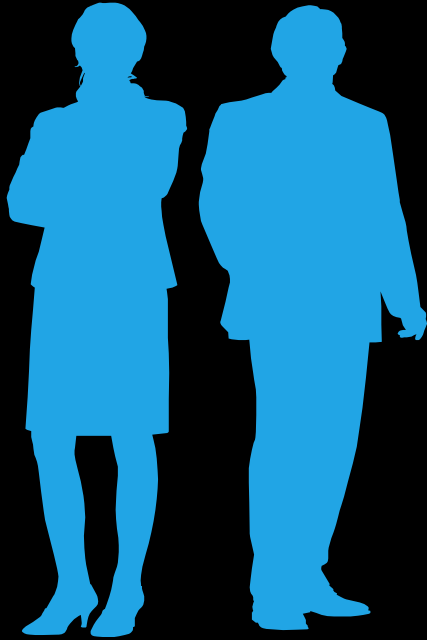
15% - 25% increase in email campaign performance

Prospect

increased response = higher revenues

response to 35 billion emails

Hadoop

results of content & sentiment analyses

optimised email campaign

MPP Data Warehouse

small business

IBM

Customers expect personalization and control

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Expectations for immediate results

Fast evolving trends in consumer technology adoption

6B
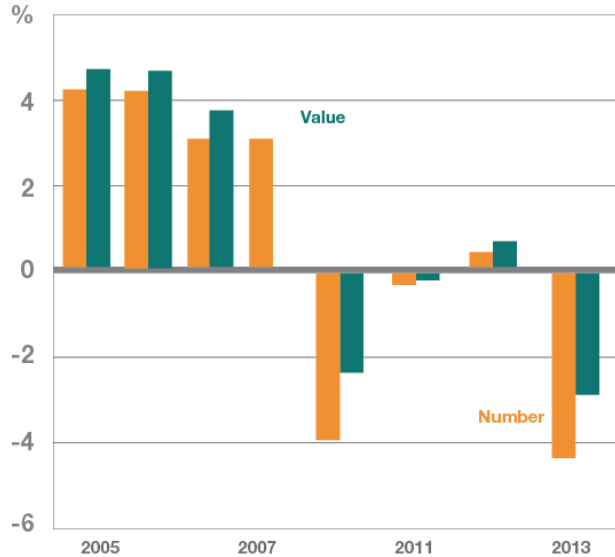Mobile devices world-wide;
1B+ of them smartphones

2.5B
Active Facebook, Twitter,
and YouTube accounts

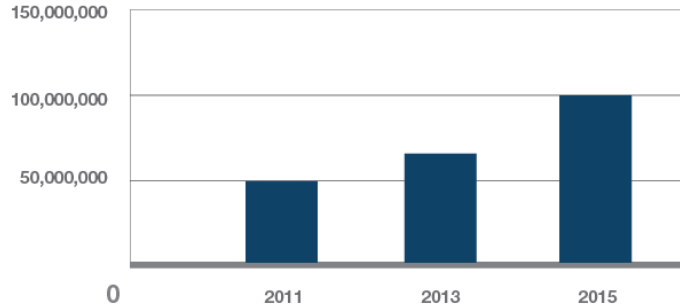# Less cash, more interactions, greater opportunity

ATM Withdrawals
Year-on-year growth, financial year

Source: RBA Payments Systems Board Annual Report 2013

Online interactions per month

Westpac using big data to woo customers with offers made to measure
SMH March 4th 2013
www.smh.com.au/it-pro/business-it/westpac-using-big-data-to-woo-customers-with-offers-made-to-measure-20140303-hvfx5.html

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Today's customer puts businesses to the test

78% of consumers trust peer recommendations

4 in 10 Smart phone users search for an item in a store

80% of CEOs think they deliver a superior customer experience

8% of their customers agree

86% use multiple channels

4-5x more than average is spent by multi-channel buyers

58% are more price-conscious today than they were a year ago

75% do not believe companies tell the truth in ads

Omni channel transformation:
One Brand Experience

"IBM's work has allowed us to complete six years work in six months, With the omni-channel platform in place, David Jones is ready for the future of Australian retail."

CEO | Paul Zahr.

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288%

Year to Year Increase in online sales

30%

Online traffic during the Christmas Clearance promotion originated from mobile or tablet devices

3x

More per average online order vs the average instore transaction
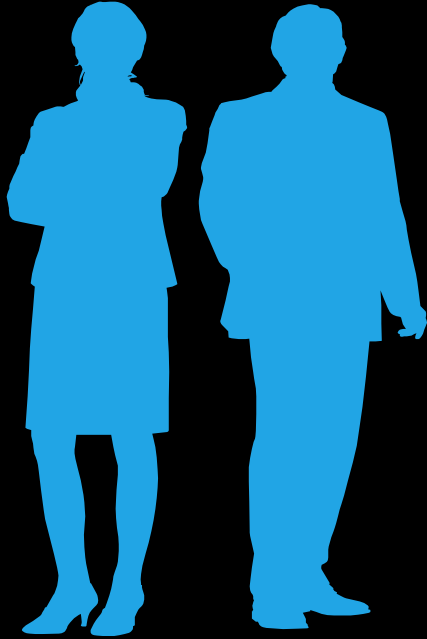
9,000 to 900,000

SKUs now available

2x

Visitors to the online site increasing to 5.4m

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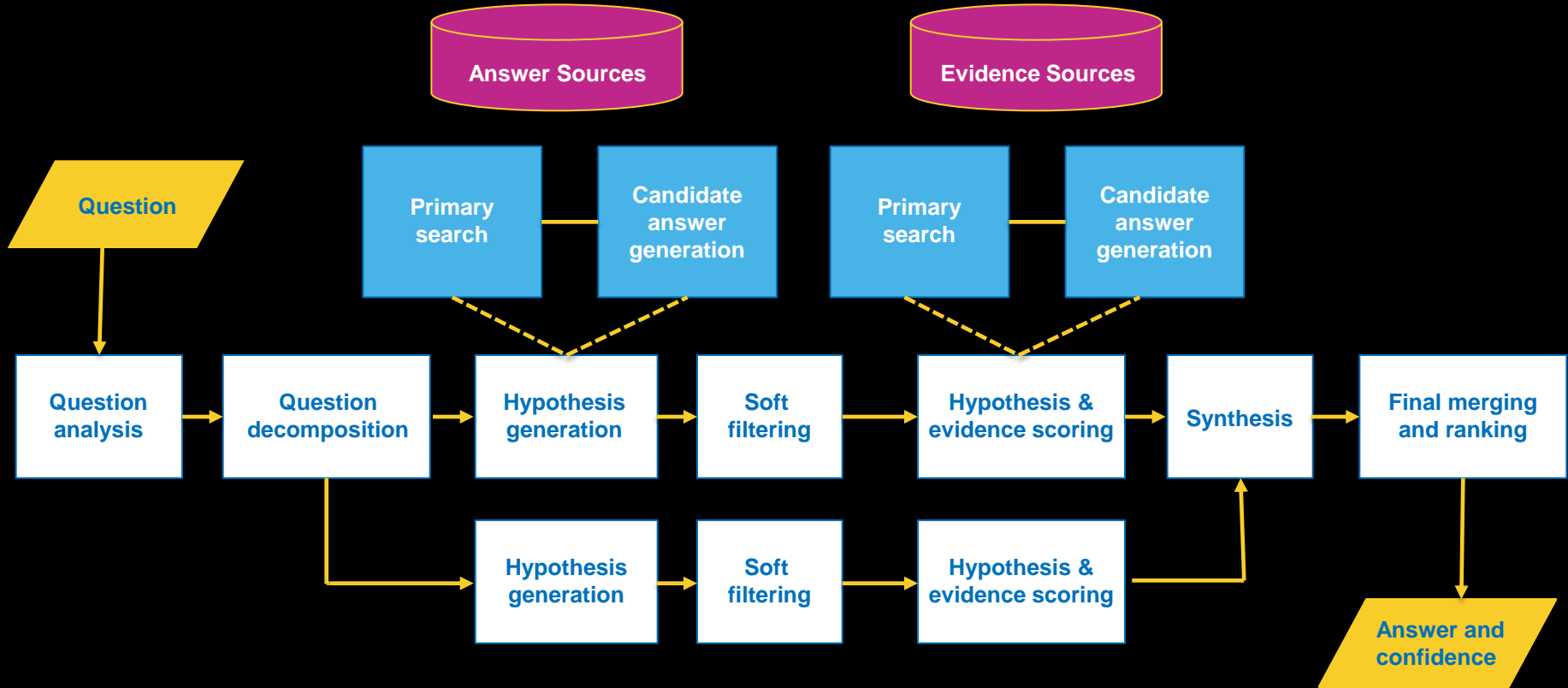# Customers expect personalization and control

"You don't know me"
Intolerance of mass-market, impersonalized approaches
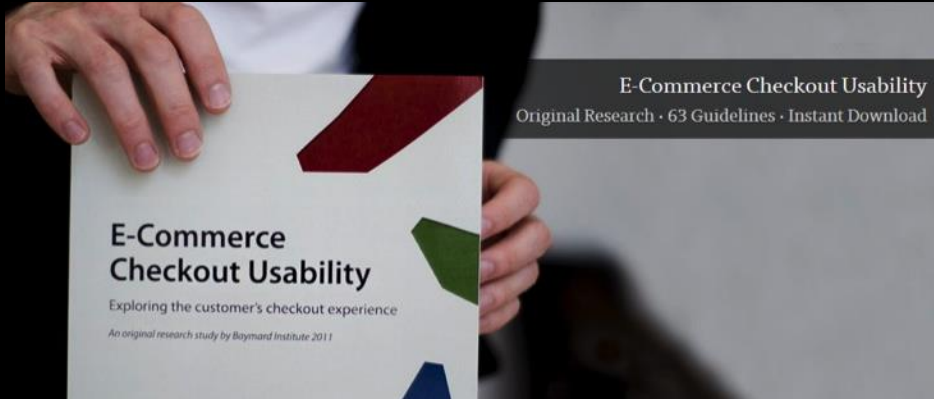
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Online Shopping

E-Commerce Checkout Usability
Original Research · 63 Guidelines · Instant Download

E-Commerce
Checkout Usability
Exploring the customer's checkout experience

An original research study by Baymard Institute 2011

"Researching the best way to improve the online user experience"
- Baymard Institute

http://baymard.com/lists/cart-abandonment-rate

67.91%
average documented online shopping cart abandonment rate

This value is an average calculated based on 27 different studies containing statistics on e-commerce shopping cart abandonment.

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Acquiring new customers at The North Face

> **The Fluid Expert Personal Shopper** will take advantage of **Watson's** ability to answer questions in plain English and learn from the responses
>
> Kent Deverell,
> *CEO, Fluid*

www.youtube.com/watch?v=x6p05Oc6Ih0

Dialogue-based and customer-driven shopping

Increasing profits by reducing "return fraud"

"With **PureData System for Analytics,** our proprietary linking system is able to **uncover those patterns of activity** that where otherwise unseen in the data."

Mark Hilinkski,
The Retail Equation

www.ibmbigdatahub.com/blog/can-retailers-really-predict-shopper-behavior-leveraging-big-data

Shoppers value their right to return goods

shopper

employee

returned product + receipt + ID (optional)

up to 8% of returns are fraudulent

$16 billion lost to return fraud in USA in 2013

MPP Data Warehouse
PureData System for Analytics
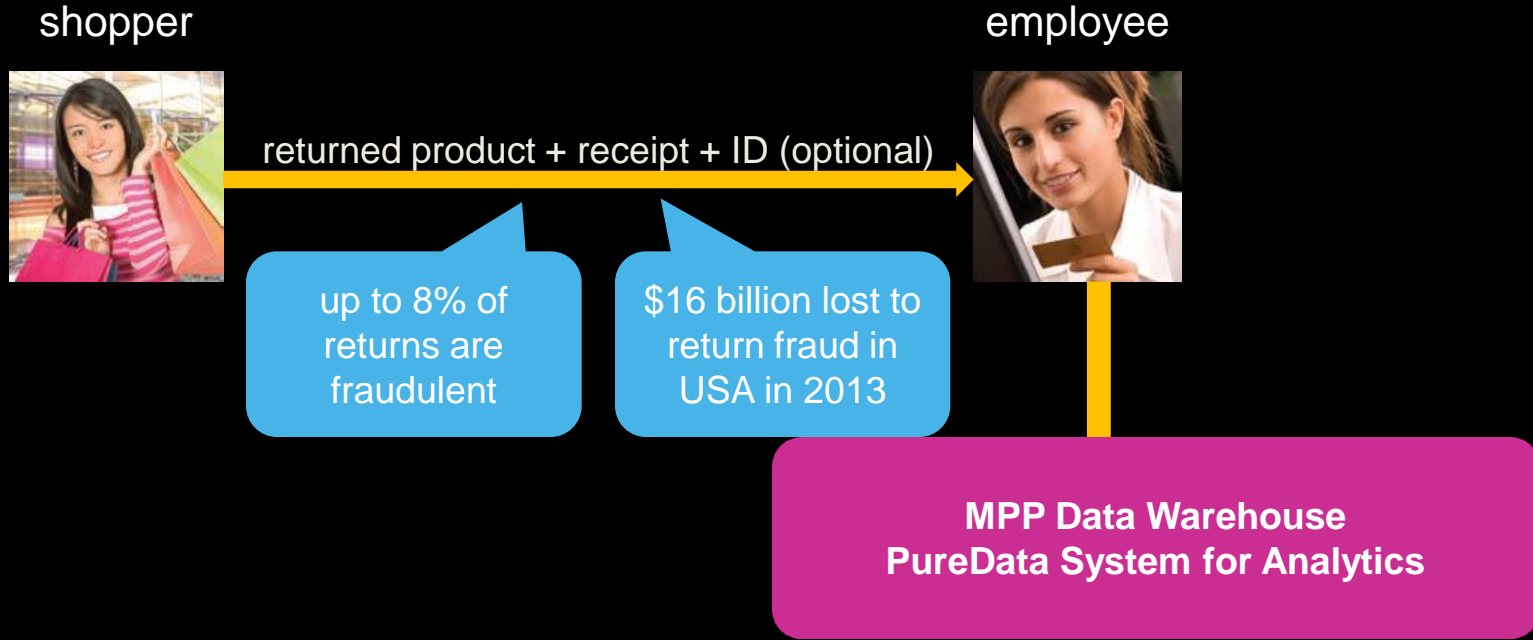
Predictive model to identify the one percent
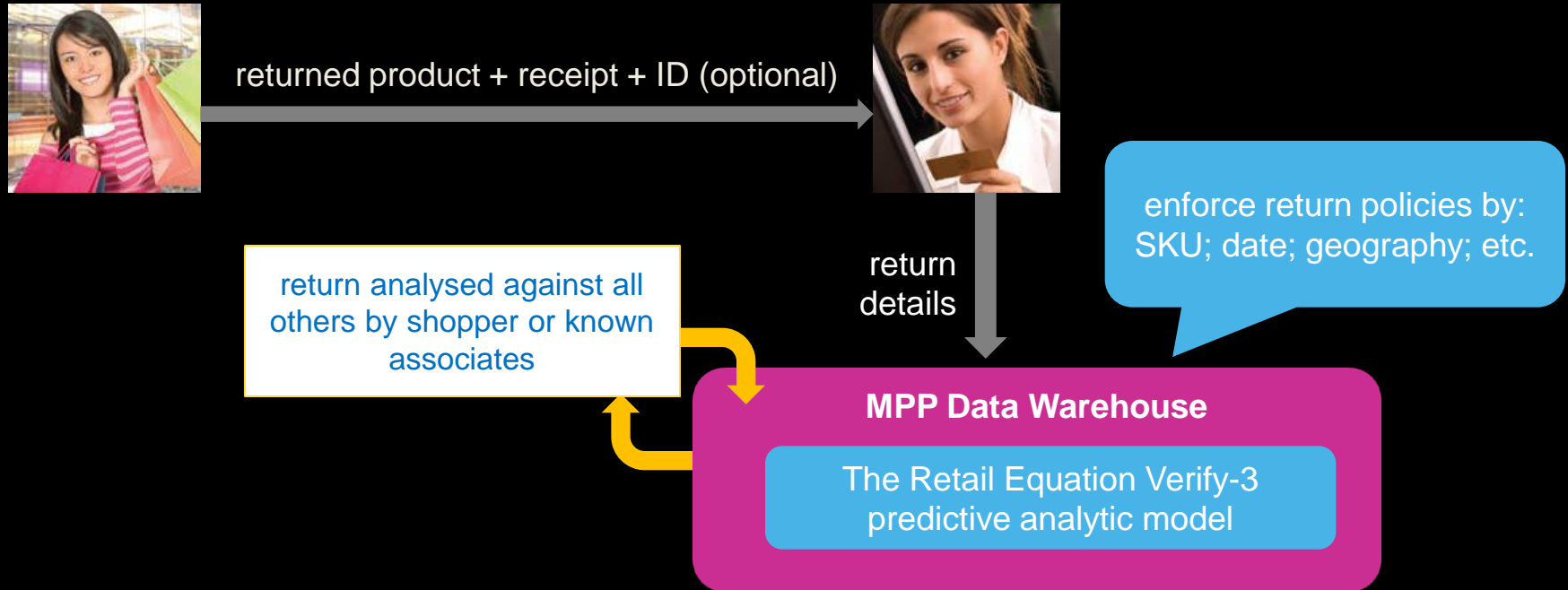
Real-time consumer-based decisions
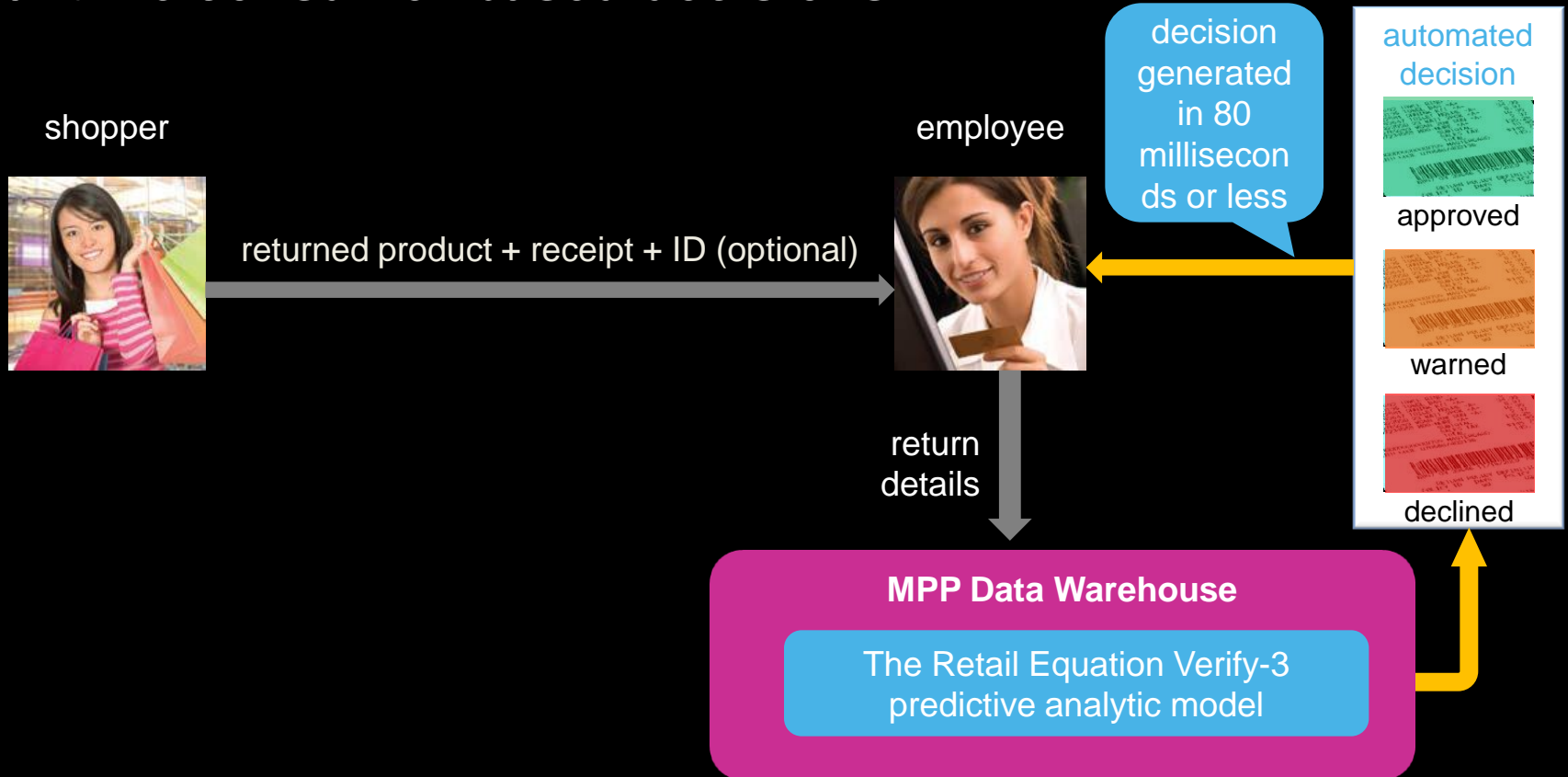
Reward loyalty while reducing fraud
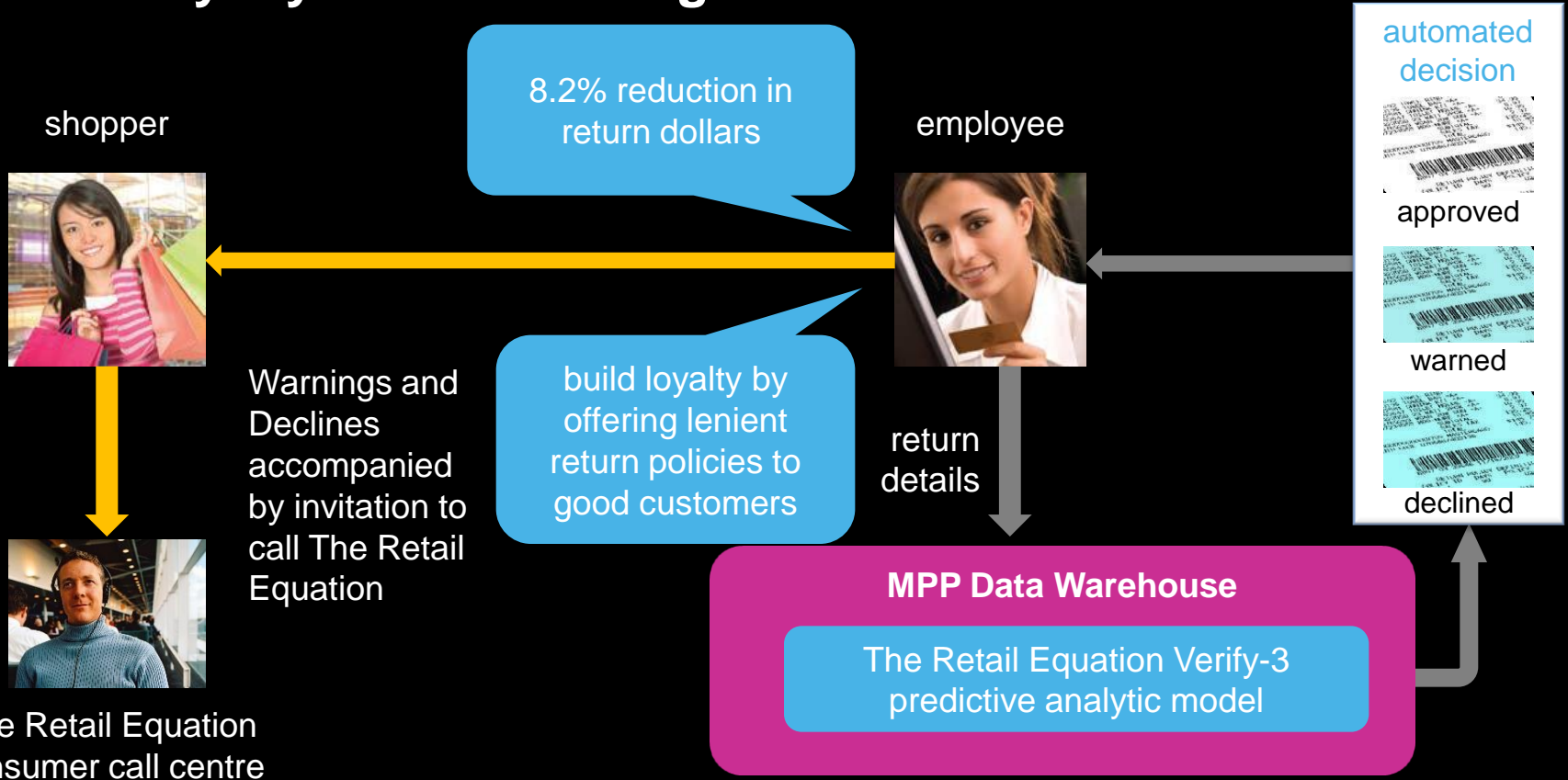
Developing loyalty at Catalina Marketing

Shopping app launches automatically

Customer's shopping app launches as they cross store's geo-fence

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Customer scans chosen product

customer profile updated with purchase details

new data analysed in-database

MPP Data Warehouse IBM PureData System for Analytics

3 years of an individual's purchase history

multi-petabyte data store

Customer's shopping app launches as they cross store's geo-fence

Customer scans products and loads basket
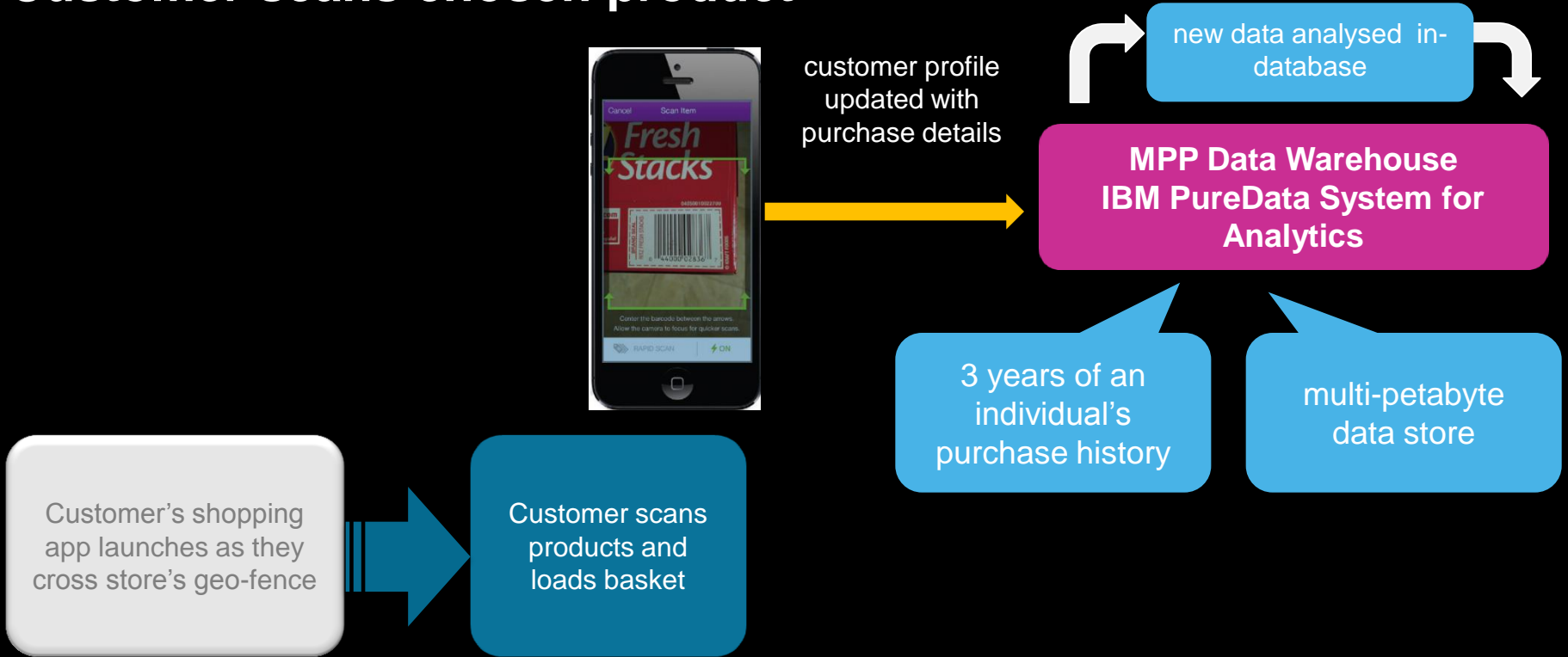
Campaigns delivered to the point of decision

customer profile updated with purchase details

MPP Data Warehouse IBM PureData System for Analytics

increases spend per visit by up to 8%

4.6 million personalised offers per month

Customer's shopping app launches as they cross store's geo-fence

Customer scans products and loads basket

Catalina creates offers in real-time

IBM
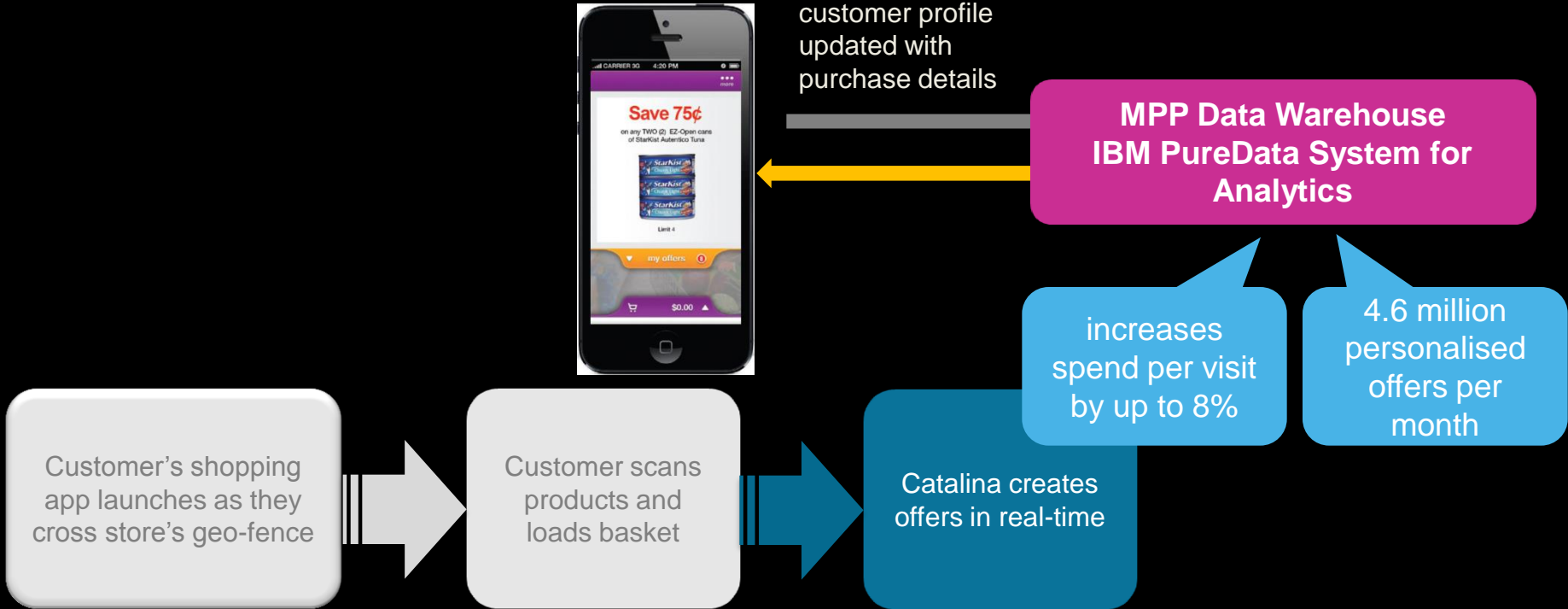
Customers prefer self-checkout
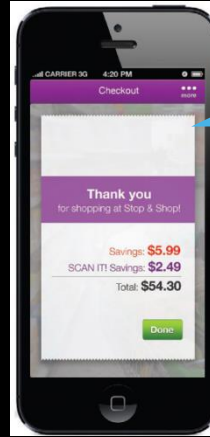
lowers front-end labour costs by 10-15%

| Customer's shopping app launches as they cross store's geo-fence | → | Customer scans products and loads basket | → | Catalina creates offers in real-time | → | Customer checks-out own basket and pays via app |
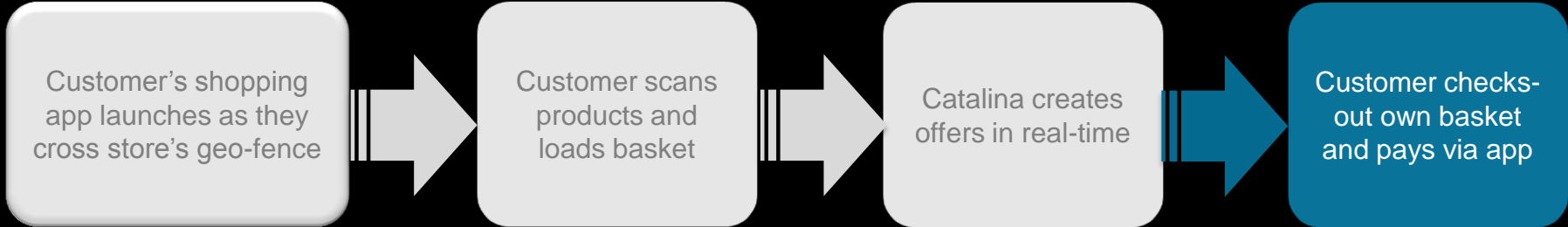
Data driven interactions at Catalina Marketing

no targeting

1% offer redemption rate

basic targeting e.g., offer dog food coupon to customer buying dog food

6-10% offer redemption rate

personalised coupon printing post-sale using predictive models to find latent correlations

25% offer redemption rate

personalised offer delivered to smart phone in aisle at point of product display

40-60% offer redemption rate

IBM
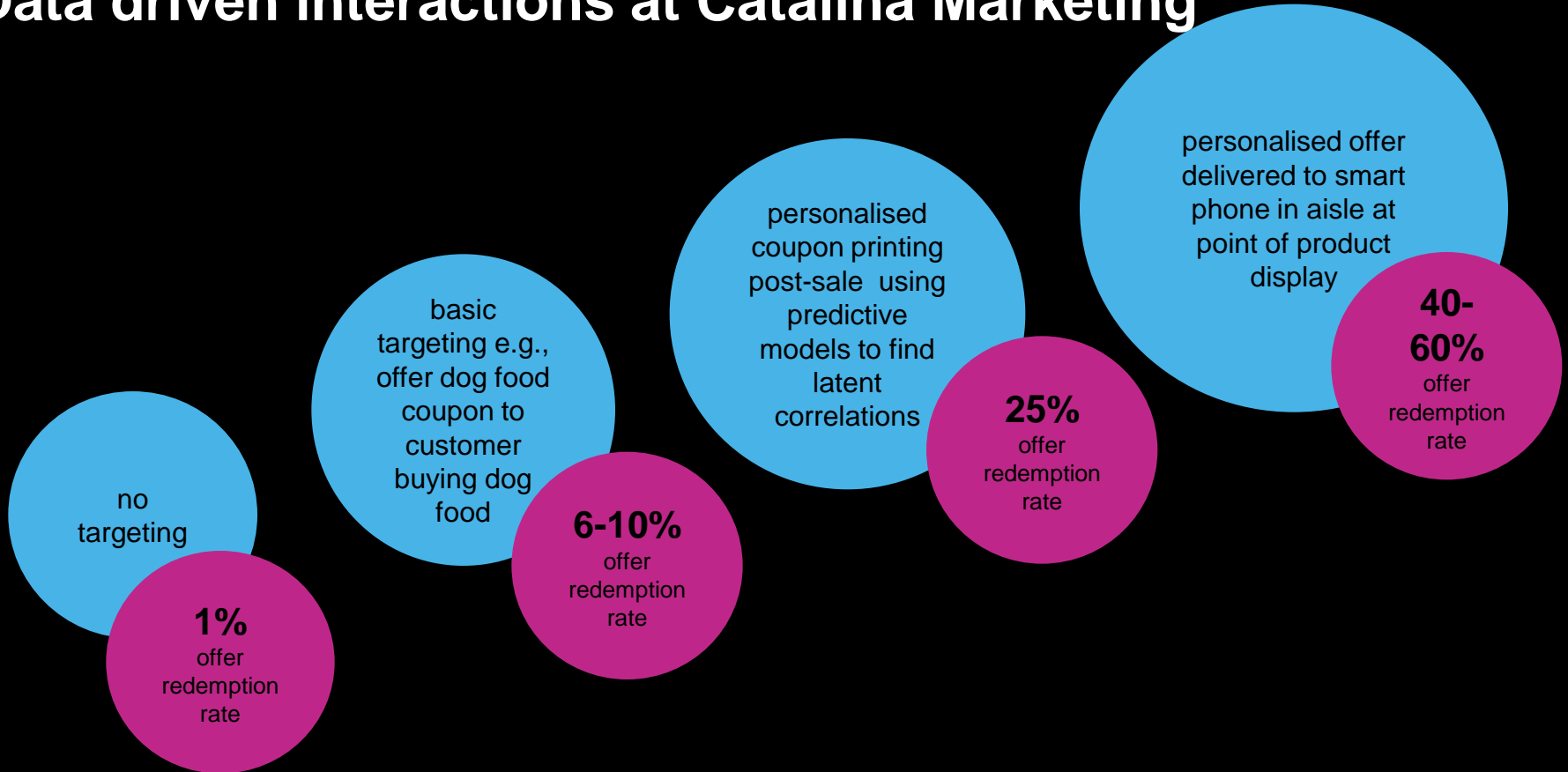
Where do you stand in your customer journey?

Real-Time Decisioning

Deliver customized interactions at the point of impact & consistent experiences across all channels

Deliver Smarter Customer Experiences

Personalized Communication

Understand the optimal offer, time and channel that is best for each individual consumer

Predictive Modeling

Uncover hidden patterns and associations within consumer data to predict what they are likely to do next

Customer Insight

Analyze historical consumer purchase behavior, preferences, motivations and interactions

Information Integration

Capture and consolidate disparate data about consumers across touch points for 1 version of the truth

Concluding Thoughts

Customers value and respond to relevant, personalised offers

Analyse customer-generated data to deliver value at their point of decision (and increasingly on their smartphone)

Delivering relevant offers at the point of a customer's decision requires a modern data management and analytics platform

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**Made with IBM:
Macys drives**
*customer
engagement*
with data

BusinessConnect and SolutionsConnect
It's time to make bold moves.

Thank you

@michelleczamora
au.linkedin.com/in/michellezamora

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